IRS TESTS NEW PROCEDURES TO SPEED TECHNICAL ADVICE PROCESS

WASHINGTON – The Internal Revenue Service today announced that it is testing a pilot program to streamline the process for issuing technical advice in audit situations. During the pilot, the new product – called a Technical Expedited Advice Memorandum (TEAM) – will be limited to income tax and accounting issues. If successful, the TEAM process will expand to all tax issues.

The IRS expects to issue TEAMs within a 60-day period. Currently, technical advice is supposed to be issued within 120 days, but about 40 percent of pending requests are older than that, with some approaching one year.

"The TEAM process will speed advice to IRS agents and appeals officers and taxpayers, resolve audit issues more fairly, and reduce confusion over the agency's legal positions," IRS Chief Counsel B. John Williams said.

Both the taxpayer and the IRS agent or appeals officer must agree that the issue is appropriate for the TEAM process. If not, the IRS will handle the issue under existing procedures.

One TEAM innovation is that if the taxpayer and the auditor do not agree on the facts of the case, Chief Counsel may issue two separate answers – one based on the taxpayer's submission of facts and the other based on the auditor's. In such cases, the IRS field office will not be bound by the findings of the TEAM.

The TEAM process will make liberal use of technology – including fax, e-mail and teleconferences – to minimize expenses and burdens for both taxpayers and the IRS.

"TEAMs will create a more open process for resolving difficult tax issues," said Williams. "Taxpayers and IRS agents alike can move audits to a speedy conclusion."

Details on the TEAM pilot are in Revenue Procedure 2002-30, which will be available soon through the IRS Web site at *www.irs.gov* and will be published in Internal Revenue Bulletin 2002-24, dated June 17, 2002. The IRS welcomes comments on the pilot process.

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